
First published in the Government *Gazette*, Electronic Edition, on 1st August 2016 at 5:00 pm.

No. S 384

INCOME TAX ACT
(CHAPTER 134)

INCOME TAX
(EXEMPTION OF INCOME OF NON-RESIDENTS
ARISING FROM FUNDS MANAGED
BY FUND MANAGER IN SINGAPORE)
(AMENDMENT) REGULATIONS 2016

In exercise of the powers conferred by section 13CA of the Income Tax Act, the Minister for Finance makes the following Regulations:

Citation and commencement

1.—(1) These Regulations are the Income Tax (Exemption of Income of Non-residents Arising from Funds Managed by Fund Manager in Singapore) (Amendment) Regulations 2016 and, except for regulations 2, 3(b), (c), (d), (e), (g), (h) and (i), 4 and 6(b), are deemed to have come into operation on 21 February 2014.

(2) Regulation 3(b) and (c) is deemed to have come into operation on 1 September 2007.

(3) Regulations 3(e) and 4 are deemed to have come into operation on 7 July 2010.

(4) Regulation 3(d), (g), (h) and (i) is deemed to have come into operation on 1 April 2014.

(5) Regulation 2 is deemed to have come into operation on 11 April 2016.

Amendment of regulation 1

2. Regulation 1(1) of the Income Tax (Exemption of Income of Non-residents Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010 (G.N. No. S 6/2010) (called in these Regulations the principal Regulations) is amended by deleting the

word “Non-residents” and substituting the words “Prescribed Persons”.

Amendment of regulation 2

3. Regulation 2 of the principal Regulations is amended —

(a) by deleting paragraph (b) of the definition of “designated investments” in paragraph (1) and substituting the following paragraphs:

“(b) in relation to income derived between 17 February 2012 and 20 February 2014 (both dates inclusive), investments specified in Part A of the Second Schedule; and

(c) in relation to income derived on or after 21 February 2014, investments specified in Part A of the Third Schedule;”;

(b) by deleting sub-paragraph (iv) of paragraph (b) of the definition of “prescribed person” in paragraph (1) and substituting the following sub-paragraph:

“(iv) has, in aggregate, less than 100% of the value of its issued securities beneficially owned (directly or indirectly) by Singapore persons; and”;

(c) by deleting the words “less than 100% of the value thereof is beneficially held, directly or indirectly, by Singapore persons collectively” in paragraph (c) of the definition of “prescribed person” in paragraph (1) and substituting the words “the aggregate value of that fund held beneficially (directly or indirectly) by Singapore persons is less than 100%”;

(d) by deleting the definition of “prescribed person” in paragraph (1) and substituting the following definition:

“ “prescribed person” —

- (a) in relation to an individual, means an individual who, at all times during the basis period for the year of assessment —
 - (i) is neither a Singapore citizen nor resident in Singapore; and
 - (ii) is the beneficial owner of funds managed in Singapore by any fund manager;
- (b) in relation to a company, means a company in relation to which all the following are satisfied at all times during the basis period for the year of assessment:
 - (i) the company is not resident in Singapore;
 - (ii) the company does not have a permanent establishment in Singapore (other than a fund manager);
 - (iii) the company does not carry on any business in Singapore;
 - (iv) the aggregate value of the company's issued securities beneficially owned (directly or indirectly) by Singapore persons is less than 100%;
 - (v) the income of the company is not derived from any tax-exempt investment; and
- (c) in relation to a trustee of a trust fund, means a trustee of a trust fund in relation to whom all the conditions in

sub-paragraph (i) or (ii) (as the case may be) are satisfied at all times during the basis period for the year of assessment:

- (i) in the case of income derived in a basis period that ends at any time before 1 April 2014 —
 - (A) the trustee is not a resident in Singapore, a Singapore citizen or a permanent establishment in Singapore;
 - (B) the trustee does not, in its capacity as trustee of the trust fund, have a permanent establishment in Singapore (other than a fund manager for that trust fund);
 - (C) the trustee does not, in its capacity as trustee of the trust fund, carry on any business in Singapore apart from acting as such trustee;
 - (D) the income derived by the trustee in its capacity as trustee of the trust fund is not derived from any tax-exempt investment; and
 - (E) the aggregate value of the trust fund beneficially held (directly or indirectly) by Singapore persons is less than 100%;

- (ii) in the case of income derived in a basis period other than that mentioned in sub-paragraph (i) —
 - (A) the trustee does not, in its capacity as trustee of the trust fund, have a permanent establishment in Singapore (other than a fund manager for that trust fund);
 - (B) the trustee does not, in its capacity as trustee of the trust fund, carry on any business in Singapore apart from acting as such trustee;
 - (C) the income derived by the trustee in its capacity as trustee of the trust fund is not derived from any tax-exempt investment; and
 - (D) the aggregate value of the trust fund beneficially held (directly or indirectly) by Singapore persons is less than 100%;”;
- (e) by deleting the words “of Approved Persons” in paragraph (c)(ii) of the definition of “Singapore person” in paragraph (1);
- (f) by deleting paragraph (b) of the definition of “specified income” in paragraph (1) and substituting the following paragraphs: